



## **Upper Thompson Sanitation District Adopts Rate Increase**

The District hosted a Public Forum, May 16, 2011 for customer input regarding a proposed 3-year rate increase. UTSD Board of Directors met May 18, 2011 to review the customer comments and, in order to meet budgetary needs, approved the proposed rate increase. For non-metered customers, an annual 8.5% rate increase will take effect January, 2012 – December, 2014. A customer, for example, at the current Single Family Equivalent (SFE) annual base rate of \$324.00 would see an increase of \$27.54, or \$2.30 per month in 2012. To assist customers in budgeting for this increase, Directors approved a quarterly billing cycle, replacing the current semi-annual format. Effective 2013 - 2014, metered customer rates will annually increase \$0.54 above the current rate of \$6.25 per thousand gallons. The complete revised rate schedule is available at the District's web site [www.utsd.org](http://www.utsd.org).

The District Board of Directors, District Manager and Engineer were available at the May 16 forum to answer questions of the public and provide background and projected information which had been used to formulate the proposed rate structure. Public notice of the open meeting and proposed rate structure was provided earlier through local newspapers and the District's web site.

*“Customer comments, offered at the forum, through written correspondence and phone calls, were greatly appreciated and provided feedback for decision making by the Board”* Chris Bieker, District Manager explained.

The District has completed numerous capital repair and rehabilitation projects and the 2011 capital project budget includes replacement of the aging electrical infrastructures at the Wastewater Treatment Plant, Fish Creek Lift Station and the Thompson River Lift Station. *“There is a public perception the previous rate increase was good for 10 years and the District is spending money on unwarranted expenses. The facts, however, reflect that money has been carefully budgeted and disbursed on the District's aging collection lines and treatment plant which are over 37 years old. Some parts of the infrastructure are past their useful life and require repair or replacement in order to continue providing reliable customer service and remain compliant with state regulations”* District Board Chairman, Larry Pettyjohn explained. District Board Secretary, Chris Eshelman added *“The last rate increase was put in place with discussion that rates would periodically need to be reviewed and evaluated. The District is not able to shut down operating systems in order to compensate for the increasing expenses of utilities, chemicals, equipment replacement and maintenance.”*

In follow-up questioning, reference was made to the District's expense of annual employee raises. Director Eshelman responded *"Employees who have pursued additional education in order to maintain State licenses, or have obtained additional training in their field have received salary adjustments. In 2009, employees received a 1.5% salary increase; however, there has not been any additional cost of living increase over the past two years. We are examining all areas of operation and holding down any discretionary costs to the District."*

Some concern was voiced that customers on fixed income would find it difficult to face a rate increase. Mr. Pettyjohn explained *"The Board remains very concerned with the impact of a rate increase for its customers; no one takes this lightly. It's a hard decision, but the reality is that current funding is inadequate for District needs and we do not want to pursue reinstatement of a mill levy."*

Customer inquiry was also made into alternative billing structures for residential customers, incorporating either a flat rate or metered usage program, in place of the current formula based on plumbing fixtures (fixture unit values) in the home. *"To institute a flat rate structure would decrease already inadequate revenue and establish inequity as all properties, regardless of the variant number of fixtures and discharge volume potential, would be allocated identical service charges"* Mr. Pettyjohn explained. In discussion regarding replacement of the current fixture-based formula with metered usage rates, District Board Treasurer Jack Reed offered *"Other municipalities, existing as combined water/sanitation entities, are able to tie together the customer's water usage and sanitation discharge. Because Upper Thompson does not sell water, additional employee labor associated with meter readings would be cost prohibitive to the District."*

*"The District's collection system encompasses over 92 miles through the outlying Estes Park area and exists in a relatively low population density. This situation, coupled with the current economic downturn with very little growth and new construction, provides minimal per capita return on the infrastructure investment"* Mr. Bieker explained. District Engineer, Steve Ravel of Hatch Mott MacDonald added *"The Wastewater Treatment Plant's capacity is currently 70-75% utilized. When Plant capacity reaches 80%, planning for proposed expansion is required by the State of Colorado; when capacity reaches 95%, the District is required to be under construction."* Director Pettyjohn concluded *"As representatives of the District, the Board of Directors is charged with oversight of the District, maintaining compliance with State regulations, meeting current and future financial needs, budgeting for capital growth, and continuing to maintain reliable customer service. As we have discussed, no one wants to increase rates; however, the District's needs are real and revenue must be generated in order to meet these needs."*